

*Docket No. SC-01-05*RECEIVED  
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REMARKS

The Examiner is thanked for his/her careful and very thorough Office Action.

Claims 1-5, 15, and 19 have been allowed. Claims 10-14, 17, and 18 are hereby cancelled without prejudice, and Applicant reserves the right to reintroduce these claims in later prosecution. Applicant respectfully traverses all remaining rejections. Favorable reconsideration, based on the arguments presented below, is respectfully requested.

**102 rejection of claims 6-7 and 9 as anticipated by Scherbatskoy**

Examiner rejects claim 6, which is reproduced below:

6. A downhole assembly which indicates a failure condition, comprising:

a valve capable of irreversible movement which affects mud flow impedance from a first state which is initially present during normal drilling into at least one intermediate state having reduced mud flow impedance which indicates a failure condition, and thereafter irreversibly into a final state, which returns mud flow impedance to substantially that seen during normal drilling.

It is respectfully submitted that the Scherbatskoy reference does not teach or suggest the claimed limitations regarding the irreversible movement of the valve in the context of claim 6. Specifically, claim 6 claims a valve capable of "irreversible movement" with an "intermediate state" which moves "thereafter irreversibly into a final state...."

The valve of Scherbatskoy does not appear to fulfill these limitations. For example, Figures 4A and 4B (reproduced below) clearly show the valve operates in ways that do not teach or suggest the above-referenced claim limitations.

In Figures 4A and 4B, the valve itself uses element 68, which appears to show reversible movement. To wit:

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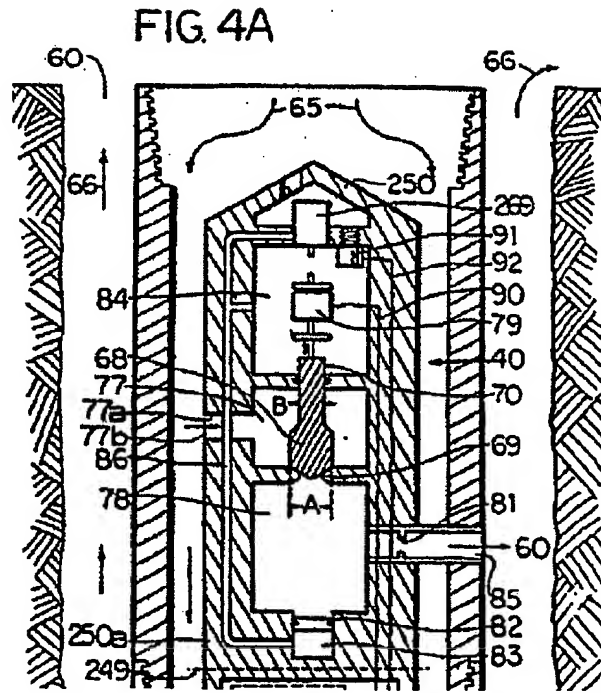
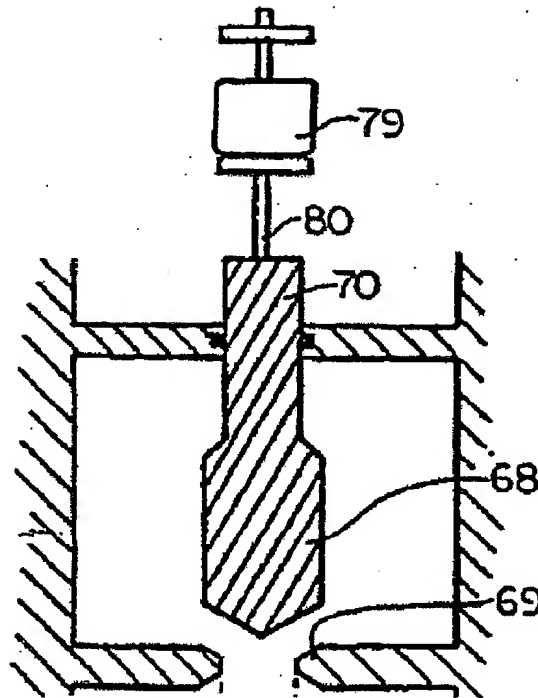


Figure 4B shows a detail of the valve section:

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FIG. 4B



In rejecting claim 6, Examiner gives no explanation of how Scherbatskoy's valve as taught could operate by irreversible movement from a first state to an intermediate state, and then irreversibly into a final state that restores mud flow impedance. It appears that the only possible way for valve 68 to operate is by a reversible movement.

Applicant respectfully submits that a prima facie case of anticipation has not been made against claim 6, or against claim 9. A prior art reference anticipates the claimed invention under 35 U.S.C. § 102 only if every element of a claimed invention is identically shown in that single reference, arranged as they are in the claims. *In re Bond*, 910 F.2d 831, 832, 15 U.S.P.Q.2d 1566, 1567 (Fed. Cir. 1990).

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Therefore, Applicant respectfully submits that claim 6 is in condition for allowance. Likewise, because of their dependence on claim 6, claims 7-9 are also believed distinguished from the cited reference. Favorable reconsideration of these claims is respectfully requested.

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Conclusion

Thus, all grounds of rejection and/or objection are traversed or accommodated, and favorable reconsideration and allowance are respectfully requested. The Examiner is requested to telephone the undersigned attorney or Robert Groover for an interview to resolve any remaining issues.

FEBRUARY 2, 2007

Respectfully submitted,



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